

failure of the various plans in narrowing the ever widening gap among the various groups and regions in the country. In the present context, the authors could have also added that even though the First Plan perceived the importance of providing basic infrastructure, neither the First nor subsequent plans was able to address the problem adequately. Consequently, the woes which the economy is experiencing as a result of inadequate infrastructure may to some extent be blamed on the failure of the development planning.

The authors have also made some useful suggestions to enable development planners cope with the changing domestic and international economic environment. The most useful suggestion concerns the need to increase the consultative and participatory dimension of the planning process. More specifically, the creation of the Joint Public and Private Consultative Committee (JPPCC) and its extension to the provinces provides a desirable mechanism for the explicit participation of private sector interests in the development management process. It would have been more illuminating if the authors had assessed the effectiveness of the JPPCC and the contribution it has made to the development planning process in Thailand.

Similarly, the book would have been more useful if the authors, instead of assuming that all readers are familiar with Thailand, had presented a brief profile of the Thai economy as well as a brief discussion of the institutional framework of the planning agency, namely, the National Economic and Social Development Board (NESDB). A table of figures on the Thai economy for the years 1960 and 1990 comparing the pre-planned, and three decades of planned Thai economy would be another useful contribution by the two authors. The addition of an organizational chart of NESDB would have provided a useful guide for the reader who is not familiar with Thailand.

Finally, the concluding section is rather brief. The authors could have explained some of the problems faced by development planners in Thailand of which there must have been several.

For example, how do planners cope with inadequate data and how often have poor implementation frustrated their carefully laid plans? What lessons can other developing countries draw from the Thai experience? These and other questions may have to await a sequel of the book by the authors.

However, these minor criticisms should not detract from the overall excellence of the book which does make a significant contribution to our understanding of Thailand's development planning experience. Thus the book will be widely read not only by academics but also by a wider audience of administrators, especially development planners who seek a better understanding of development planning.

* The views expressed herein are entirely the reviewers' and do not reflect those of the organization where they are employed.

CHEE PENG LIM
UMPHON PHANACHET
*United Nations Economic and Social
Commission for Asia and the Pacific,
Bangkok*

Unity and Diversity, Regional Economic Development in Indonesia since 1970. Edited by Hal Hill. Singapore: Oxford University Press, 1989. Pp. 610.

This book is a collection of essays which examine the dimension of regional economic development in Indonesia in a comparative way. The final work is the result of a collaborative effort by 43 contributors, comprising Indonesian and Australian researchers. Twenty-five chapters cover 26 Indonesian provinces (Bengkulu is omitted due to lack of a survey writer for this province). From the foregoing one could perhaps apply the book's title, *Unity and Diversity* to the book itself rather than its Indonesian contextual meaning since, despite the large number and diversity of the contributors, the editor has managed to ensure a fairly consistent approach

which, for most part, allows contrasts or similarities to be drawn between individual provinces.

Five groupings are used to clarify provinces into an economic development framework: (1) The resource-rich provinces of Irian Jaya, Aceh, East Kalimantan, Riau and Jambi; (2) The isolated provinces of East Timor, East and West Tenggara; (3) The densely populated provinces of Java, Bali and Lampung; (4) The settled outer island provinces of Sulawesi, Sumatra and Kalimantan; (5) The sparsely populated provinces of Central and S. E. Sulawesi, Central and West Kalimantan, and Maluku.

The groupings are not geographically contiguous and, as the editor notes, it would be easy to find fault with the above classifications. In practice, however, it appears to make little difference to the analysis since each province is examined individually.

Each chapter commences with a general introduction and overview highlighting the distinctive features of a particular province. This is then followed by a broad outline of economic structure including industry, agriculture, population and social development. Overall the provincial chapters offer an interesting insight into regional development since 1970. Whilst it could be argued that one or two chapters are merely descriptive rather than analytical, it would be hard to be critical of this approach in view of the difficulties of collecting accurate information. Researchers who have attempted such exercises will readily appreciate the conflicting and contradictory data that are often presented in provincial areas, and perhaps in the case of Indonesia, all too often in central areas as well.

The first two chapters present a good introductory framework for the ensuing provincial chapters. Chapter 1, on "Regional Development in Indonesia: Patterns and Issues" by Hal Hill and Anna Weidemann presents an analytical account of major trends and issues facing Indonesian regional development. Hill and Weidemann emphasize the role of regional finance in promoting provincial economic development, especially the large flows from central government to the poorer areas prior to the

collapse of oil prices in the mid-1980s. They conclude that a financially constrained central government no longer has the capacity to fund major development projects throughout the country. Reforms are therefore required to make regions more self-reliant and productive.

In chapter 2, "Key Issues in Indonesian Regional Development", Iwan Azis selects the role of regional exports, interregional resource and budgetary allocations, decentralization and concentration of industrial location as his main themes. He argues that greater consideration should be given to the concept of regional planning, including the need for conservation of regional resources and a greater understanding of the impact of infrastructure development.

Although the book runs to 600 pages and is the product of a large number of contributors, it is nevertheless a relatively easy book to read. It clearly fills a gap in the literature on Indonesian regional development and it may be used selectively in the sense that many readers will find their particular regional interest satisfied. It may also prove to be a useful benchmark to compare future regional development not only within Indonesia but also in a wider framework, especially since there is a growing trend to identify regions which transcend national boundaries. In this sense the most widely promoted is the growth triangle concept incorporating Riau, Singapore and Johore. Others may follow such as North Sumatra, Penang and Southern Thailand.

In conclusion the claim to illustrate the dimensions of Indonesia's regional development appears to be adequately met. However, the claim to examine the dynamics of Indonesia's regional development requires qualification. Although the overwhelming centralistic nature of Indonesian government is emphasized and the problems and issues arising therefrom are highlighted, the actual processes or transfer mechanisms from centre to periphery receive relatively little attention, especially in the case of financial flows which are identified as crucial to regional development. Indeed Hill and Weidemann point out that centre-province fiscal relations receive

surprisingly little attention in the provincial chapters. However, they provide only a cursory coverage themselves. For those already acquainted with Indonesian development, and to be fair it is implicit within the text that this is the book's intended readership, the foregoing criticism may probably be irrelevant, but for the wider circle of South-east Asian scholars who could find the contents of this book extremely interesting to compare with other countries, a more detailed descriptive and analytical approach may be useful. This may be found in *Financing Local Government in Indonesia* by Nick Devas (1989).

JOHN WALTON
*Centre for South-East Asian
Studies, Hull, England*

***An Economic Framework of Singapore.* By Toh Mun Heng and Linda Low.** Singapore: McGraw-Hill, 1990. Pp. 382.

This book is a novel attempt to present and analyse economic principles with direct applications to the Singapore economy. It comprises four main parts. Part I deals with the determinants of aggregate demand, Part II, the determinants of aggregate supply, Part III, macroeconomic equilibrium and Part IV, contemporary issues in the Singapore economy. The first three parts closely reflect a typical pedagogical macroeconomics textbook treatise with constant reference to the Singapore context. Part IV is worthy of particular mention as it specifically highlights, analyses and discusses current issues pertaining to the Singapore economy.

Part I consists of six chapters. Chapter 1 explains basic theoretical definitions and establishes the social accounting matrix for analysing national income flows. Chapters 2, 3 and 4 respectively deal with the production process, household consumption, and savings and investment. Unique to Singapore is the phenomenon of compulsory private saving in the form of the

central provident fund (CPF) contributions discussed in Chapter 4. It would be both interesting and challenging to students to relate the issue of CPF and the employers' and employees' contributions to the theories of private consumption explained in Chapter 3. The role of the government, its rationale, fiscal functions, instruments and economic impact are put forth in Chapter 5 while Chapter 6 deals with the international aspects of aggregate demand.

The determinants of aggregate supply, namely, population and labour force, capital, technology and land are covered in Chapters 7 and 8 which constitute Part II of the book. Part III on macroeconomic equilibrium systematically begins with product market equilibrium in Chapter 9, introduces the role of money in Chapter 10 and builds up to the closed-economy product market and money market general equilibrium (IS-LM) analysis in Chapter 11. Demand and supply shocks and supply-side economics are included in Chapter 12.

Perhaps the most interesting section of the book, Part IV, comprising six chapters on contemporary issues on the Singapore economy, cogently and succinctly covers several important issues ranging from saving and entrepreneurship, to wage, labour and population policies, to business cycles and economic volatility. A discussion on the effect of CPF contributions on saving and entrepreneurship, and the controversial entrepreneurial roles of the state, multinational enterprises and the local small and medium businesses are two of the highlights of the book. The analysis of the foreign worker levy in terms of the divergence between social and private marginal costs carries implications which would be of interest to both economists and laymen.

After Independence in 1965, Singapore experienced two major economic recessions, namely in 1975 and 1985. The question arises as to whether the Singapore economy, small and highly open as it has been, inherently follows a ten-year growth cycle. This subject is studied in the chapter on business cycles in Part IV. It presents leading, coincident and lagging